

The average yield on two-year U.S. Treasury securities fell in yesterday's auction to 6.26 percent, the lowest since August.

The Treasury Department sold \$10.3 billion of the notes with the yield declining from 6.39 percent at the last auction on Oct. 22.

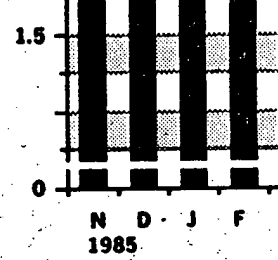
The rate was the lowest since two-year notes sold for 6.21 percent on Aug. 20. A total of \$23 billion in bids were received. The notes will carry a coupon rate of 6 1/4 percent with a \$10,000 note selling for \$9,998.10.

From news services and staff reports

NSSD 2-86

The faster growth was accompanied by high inflation as the beneficial effects of plunging oil prices wore off. Prices, as measured by a GNP inflation index, rose at an annual rate of 2.4 percent compared with 1.7 percent in the second quarter.

See ECONOMY, E2, Col. 1



## Kemp Seeks U.S. Veto of Soviet IMF Bid

By Hobart Rowen  
Washington Post Staff Writer

Rep. Jack F. Kemp (R-N.Y.) has urged Treasury Secretary James A. Baker III to make a specific declaration that the United States would reject a bid by the Soviet Union for membership in the World Bank and International Monetary Fund.

Kemp wrote Baker on Nov. 7 to say that the Soviet "record of aggression abroad and oppression at home" make it clear that Soviet membership would not be in the interest of the institutions nor of the United States.

A Treasury official said that a response to Kemp was being prepared, but was not yet completed.

Kemp's concern was triggered by a comment Oct. 16 by World Bank President Barber B. Conable Jr. that the bank "would be happy to explore" a Soviet application for membership. Such an application would have to be based on the Soviets' having been accepted into the IMF.

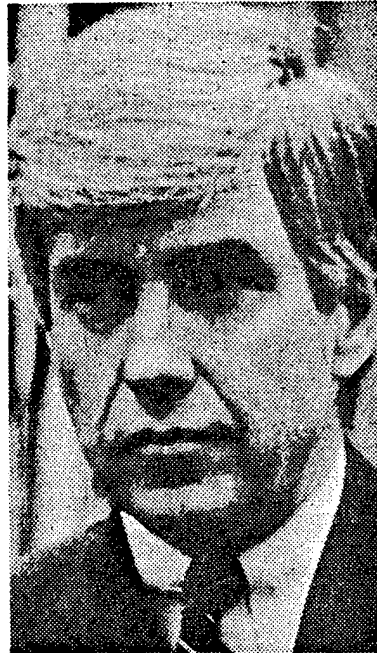
Conable made clear at the time that there was no pending Soviet application, and bank sources said yesterday that there was no change in the situation.

Kemp's complaint in his letter to Baker was that the administration had not offered a flat-out rejection of Conable's willingness to consider a future Soviet bid, contenting itself with a comment by a Treasury spokesman that the issue was only theoretical, since there was no application in hand.

The spokesman also said at that time that the Soviets had not shown

See RUSSIANS, E5, Col. 1

Washington Post  
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JACK F. KEMP  
... asks Baker for Soviet rejection

## Big Bailout Of Mexico Under Way

By James L. Rowe Jr.  
Washington Post Staff Writer

The massive, multinational bailout of cash-starved Mexico was set in motion yesterday.

The rescue package, designed by the International Monetary Fund, is supposed to pump at least \$12 billion of new loans into Mexico during the next 16 months to enable the country to resume economic growth and continue to pay the interest it owes on its outstanding \$98 billion of foreign debts, most of them held by commercial banks.

## Anxieties on Wall Street

By Caroline E. Mayer  
Washington Post Staff Writer

Dart Group Corp.'s stock has dropped sharply over the past three days as concerns mount that the Ivan Boesky scandal may hamper Dart's efforts to raise money for takeovers of other companies.

Dart's stock tumbled from a high of \$174.50 on Friday—just before it was announced that Boesky agreed to pay \$100 million in profits and penalties from illegal insider trading—to a low of \$150 yesterday. The stock rebounded to close at \$159 yesterday.

Controlled by Washington's Herbert H. Haft family, Dart has made most of its profits recently by trying to take over other companies—including Safeway Stores Inc. In the process, it has used some of the aggressive financial techniques promoted by Drexel Burnham Lambert Inc., one of Wall Street's most prominent investment banking firms.

With Drexel's tiny by the Securities and a federal grand jury predicted that have relied on may have difficult deals in the future.

"It will be impossible with such a cloud over one stock trader. Company using Drexel now being asked."

The Haft's were

However, on spread belief that er move to buy a up its bid to buy Dart had expressed and then subsequent in Jack Eckerd Co drugstore chain,

The lenders include commercial banks, the IMF, the World Bank, the Inter-American Development Bank and governments of industrial nations. Rescue funds started to become available yesterday when a minimum number of commercial banks agreed to participate.

Mexico has been devastated by the plunge in the price of oil—the source of most of its foreign revenue and half its domestic taxes. Although the debtor nation flirted last spring and summer with holding back payments on its debts—a move that could have caused an international financial crisis—it decided instead to negotiate new loans with its creditors.

The rescue is the first important test of the growth-oriented initiative U.S. Treasury Secretary James Baker III proposed last year for debtor nations.

As that initiative requires, Mex-

See DEBT, E2, Col. 1

## Lever Bros. Firm Opposes Imports

By Nancy Lewis  
Washington Post Staff Writer

The difference is in the smells.

And the smell. And the... That's what Lever Bros. says about its Shield deodorant soap and Sunlight liquid detergent in a lawsuit aimed at blocking imports bearing the brand names but manufactured in the United Kingdom using different formulas.

The British versions of the products, manufactured by Lever Bros. Ltd.—a corporate cousin of Unilever—and formulated for use in

hostile \$1.51 billion takeover bid by AFG Partners, a combination of Irvine, Calif., glassmaker AFG Industries and Wagner & Brown, a Midland, Tex., oil concern.

But Wickes appeared with a higher offer, which Lear Siegler agreed to accept a week ago.

AFG Partners agreed to sell its 9.8 percent stake in Lear Siegler to Wickes for a profit of \$41.3 million. That stock is now in escrow, and the partnership said it doesn't believe Wickes' financing problems will allow it to back out of that agreement.

In addition, the partnership said that in light of recent developments, it intends "to review all of its options, including the possibility that it might renew its efforts to acquire control of Lear Siegler."

said only that it had "thus far been unable to arrive at a satisfactory agreement with its prospective bank lenders."

It said it would seek other financing "but is not optimistic it will succeed in these efforts."

Analysts speculated that the financing breakdown may have been indirectly related to the insider-trading scandal that has rocked Wall Street in recent days, making investors more cautious about buying high-yield junk bonds often used to finance corporate takeovers.

In addition, many analysts had been worried since Wickes announced plans to buy Lear Siegler that it might not be able to pull it off.

The Lear Siegler deal came less than a week after Wickes agreed to

"disappointed" and to proceed with its restructuring if Wickes is unable to obtain financing.

Lear Siegler hasn't disclosed details of that restructuring plan but said the company's "financial strength and improving earnings prospects assure [the plan's] success with the consequent enhancement of shareholder values."

Lear Siegler, with 29,000 employees, makes flight control and navigation systems for military and commercial aircraft; auto components, such as seating, suspension systems and windshields; electronics; farm equipment; Smith & Wesson handguns; and Cal and O'Day sailboats.

It also owns Piper Aircraft, which has shown only a slim operating profit and has been plagued with product-liability problems.

## Kemp Asks U.S. to Reject Any Soviet IMF Bid

### RUSSIANS, From E1

a willingness to supply the kind of data that would be required for IMF membership.

"I urge you in the strongest possible terms to take the lead in clarifying the administration position on Soviet membership," Kemp wrote Baker.

"Silence on this matter can only lead to confusion about U.S. intentions, and will encourage the Soviets to believe that they can move forward in requesting membership," he wrote.

Kemp's main argument against Soviet membership is that Soviet

influence in the bank would reverse the current trend among bank member countries "away from Soviet-style socialism."

He also complained in his letter to Baker that bank membership

could give the Soviet Union direct access to credit usable for financing military aggression and that, once in the bank, the country would become "the ringleader of an antidemocratic and antimarket coalition."

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